

California Department of Corrections Financial Information Memo

SUBJECT:

INMATE WELFARE FUND CASH REMITTANCES
BY INSTITUTION TRUST OFFICES

FIM NUMBER:

2003-05

REFERENCES:

California State Administrative Manual, Section 8091
Department of Corrections, Inmate Welfare Fund
Procedures Manual, Section 202L

DATE: JUNE 23, 2003

DISTRIBUTION

Wardens
Associate Wardens, Business Services
Institutions Division
Regional Institutions Administrators
Institution Trust Offices
Inmate Welfare Fund/Trust Accounting Section

PURPOSE

This Financial Information Memo (FIM) provides institution management and trust offices a restatement of the basis and policy for the remittance of Inmate Welfare Fund (IWF) moneys by the trust offices to Inmate Services for deposit into the IWF.

BACKGROUND

The California State Administrative Manual (SAM), Section 8091 states "Regardless of the amount, agencies will remit to the State Treasury all moneys determined to be revenue, reimbursements, abatements, and operating revenue within 30 days following the date collected, unless more frequent remittances are required by law, regulation, or circumstances. Accumulated deposits of \$25,000 will be remitted as soon as possible, but not later than the first day of the week following the accumulation." The Department of Corrections, IWF Procedures Manual, Section 202L, states "Institutions are to remit cash collections on Inmate Welfare Fund Activities at least twice per month." The audit findings by the Department of Finance auditors of the Department institutions' IWF for the fiscal years 1998-99 and 1999-00, cited thirty-two of the Department's thirty-three institutions for the untimely cash remittance of IWF moneys to Inmate Services.

DISCUSSION

For the past several years, the Department has had to operate under arduous budgetary constraints. One of the ways that has provided some budgetary relief to the institutions is the use of the IWF as an alternative revenue source. In fiscal year 1992-93, the Department started redirecting \$1.7 million in appropriate costs from the support budget to the IWF for payment. For fiscal year 2001-02, the IWF paid \$5.2 million in costs previously paid by the Department's support budget. When the funds are not remitted in conformity with SAM and IWF requirements, the IWF loses

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interest it could otherwise be accruing to pay IWF obligations. In addition to complying with the stated requirements, it is essential that institutions manage IWF moneys efficiently and expeditiously to help generate revenue to continue using the IWF as a viable revenue source to lessen the budgetary constraints placed on the institutions.

ACTION REQUIRED

Effective immediately, all institution trust office staffs are to review, and revise as necessary, their IWF cash remittance procedures to ensure remittances are made in the timely manner prescribed by SAM and the IWF Procedures Manual.

Institution trust office staffs may need to coordinate with canteen staff to determine the amount of IWF cash for remittance to ensure a canteen draw account balance is available to fund any canteen returns to the inmate trust accounts.

If you have questions regarding this FIM, please contact Richard Flores, Chief, Inmate Welfare Fund/Trust Accounting Section, at (916) 358-2211.

ORIGINAL SIGNED BY
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